MANAGED BY BLOOM INVESTMENT COUNSEL, INC.

BLOOM SELECT INCOME FUND

2022 ANNUAL REPORT

BLB.UN

FORWARD-LOOKING STATEMENTS

Some of the statements contained herein including, without limitation, financial and business prospects and financial outlook may be forward-looking statements which reflect management's expectations regarding future plans and intentions, growth, results of operations, performance and business prospects and opportunities. Words such as "may," "will," "should," "could," "anticipate," "believe," "expect," "intend," "plan," "potential," "continue" and similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve significant risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, changes in general economic and market conditions and other risk factors. Although the forward-looking statements contained herein are based on what management believes to be reasonable assumptions, we cannot assure that actual results will be consistent with these forward-looking statements. Investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof, unless otherwise indicated, and we assume no obligation to update or revise them to reflect new events or circumstances.

MANAGEMENT REPORT OF FUND PERFORMANCE

This annual management report of fund performance for Bloom Select Income Fund (the "Fund") contains financial information but does not contain the audited annual financial statements of the Fund. The audited annual financial statements follow this report. You may obtain a copy of any of the Fund's annual or interim reports, at no cost, by calling 1-855-BLOOM18 (1-877-256-6618) or by sending a request to Unitholder Information, Bloom Investment Counsel, Inc., Suite 1710, Yonge Eglinton Centre, 2300 Yonge Street, Toronto, Ontario, M4P 1E4, or by visiting our website at **www.bloomfunds.ca** or SEDAR at **www.sedar.com**. Unitholders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, Independent Review Committee's report, or quarterly portfolio disclosure.

In accordance with investment fund industry practice, all figures presented in this management report of fund performance, unless otherwise noted, are based on the Fund's calculation of its net asset value, which is in accordance with the terms of the Fund's declaration of trust and annual information form, and is based on closing market prices of investments. Figures presented in the financial statements and in the Financial Highlights section of this management report of fund performance are based on net assets calculated using International Financial Reporting Standards which require the use of a price between the last bid and ask prices for investment valuation, which may differ from the closing market price.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

THE FUND

Bloom Select Income Fund is a closed-end investment trust managed by Bloom Investment Counsel, Inc. ("Bloom" or the "Manager"). Bloom provides administrative services to the Fund and actively manages the Fund's portfolio. The units of the Fund trade on the Toronto Stock Exchange ("TSX") under the symbol BLB.UN. The units of the Fund are RRSP, DPSP, RRIF, RESP, RDSP and TFSA eligible. This Fund has a distribution reinvestment plan ("DRIP") allowing unitholders to automatically reinvest their monthly distributions in additional units of the Fund.

INVESTMENT OBJECTIVES AND STRATEGIES

The Fund's investment objectives are to provide unitholders with an investment in an actively managed portfolio comprised primarily of Canadian dividend paying equities (common shares, real estate investment trusts (REITs) and income trusts) that exhibit low volatility at the time of investment, monthly cash distributions that have a large component of Canadian eligible dividends, and the opportunity for capital appreciation.

RECENT DEVELOPMENTS

Inflation and interest rates

Canadian investment markets continue to display concerns about rising inflation and the possibility of a recession. Associated concerns around interest rate hikes were realized when the Bank of Canada raised rates as expected several times in 2022 for a total of 400 basis points. Latterly the Bank of Canada appeared to acknowledge that its strategy was beginning to work on inflation rates, but a further small increase is expected in early 2023. The Fund's focus on low volatility dividend paying Canadian equities places it in a position to respond to these events, given that dividends often keep pace with inflation and many dividend paying companies are able to raise prices to respond to increasing costs. These matters are further discussed in the Investment Manager's Report below.

Russian invasion of Ukraine

In February 2022, Russian forces invaded Ukraine, resulting in an armed conflict and economic sanctions on Russia. Price volatility, trading restrictions, including the potential for extended halting of Russian market trading, and general default risk has impacted Russian securities. Disruption of Russian and Ukrainian exports, most notably energy and grain, has contributed to global energy and food price increases. The conflict may continue to contribute to an increase in short-term market volatility, with European markets being most at risk. It is uncertain how long the conflict, economic sanctions and market instability will continue and whether they will escalate further. The manager is actively monitoring the situation and is in compliance with all sanctions imposed by the authorities as a result of the conflict.

COVID-19

The ongoing effects of the global pandemic caused by the COVID-19, a novel coronavirus, and new infection waves caused by new virus variants continue to negatively impact companies worldwide, including adverse effects on supply chains and labor supply in many sectors. Successful vaccination initiatives in some regions contrast with vaccine hesitancy in others, and uncertainty around the spread and effects of new virus variants, the efficacy of the various vaccines against new variants and the likelihood of re-infections continues. The pandemic continues to have the potential to have an adverse effect on global stock markets for an indeterminate length of time. This could affect the valuation of the Fund's investment portfolio and consequently the net asset value and net asset value per unit of the Fund. The negative effects on the Fund of this coronavirus and any other epidemics and pandemics that may arise in the future could be complex and cannot necessarily be foreseen at the present time. The Manager continues to monitor events as they unfold and has successfully implemented an enhanced business continuity plan to ensure the seamless operation of the Manager in its roles as manager and portfolio advisor of the Fund during periods of pandemic related lockdown and work-from-home, as well as its current hybrid work arrangement. This plan has facilitated uninterrupted work and communication as well as the Manager's interaction with the Fund's various service providers.

INVESTMENT MANAGER

BLOOM
INVESTMENT COUNSEL, INC.

The manager was established in 1985 and specializes in the management of segregated investment portfolios for wealthy individuals, foundations, corporations, institutions and trusts. In addition to its conventional investment management business, the Manager currently manages specialty high-income equity portfolios comprised of dividend paying common equity securities, income trusts and REITs for three TSX listed closed end funds.

INVESTMENT MANAGER'S REPORT

JANUARY 3, 2023

Fund Performance

The Fund performed well for the year, outperforming the S&P/TSX Composite Index. The Fund made gains during the year on the takeovers of two portfolio investments, Intertape Polymer Inc. and LifeWorks Inc., at significant premiums to market prices. Of the Fund's remaining positions, Chemtrade Logistics Income Fund, Boralex Inc. and Rogers Communications Inc. Class B were the greatest contributors to performance. The strongest performing sectors for the Fund were Energy, Utilities and Industrials.

The most recent measure of Active Share for Bloom Select Income Fund was a very high 80.7%. Active Share is a measure of the percentage of stock holdings in a manager's portfolio that differs from the benchmark index. We believe this high Active Share gives the Fund a greater ability to take advantage of upside opportunities or protect against downside risk very distinctly in comparison to the great number of less active managers with performance that closely follows the benchmark.

Canadian Economy

The latter part of the year was once again dominated by a concern over inflation, and the question on investors' minds was not whether the Bank of Canada (BoC) would increase interest rates at its next meeting but rather by how much they would increase rates. At the beginning of December, the BoC increased interest rates, as expected, by 50 basis points to 4.25%. This marked the Bank's seventh consecutive increase resulting in a cumulative rate hike of 400 basis points this year. More importantly, while it was emphasized in the BoC statement that inflation remains too high, it was acknowledged that it is slowing down and the tempering effect rate hikes have on domestic demand cannot be ignored. However, with Q3 GDP growing faster than anticipated we are expecting what might be the final rate increase of 25bps at the BoC's next meeting at the end of January.

Canadian real GDP came in at 2.9% for the third quarter, almost double consensus expectations. In addition, there were several upward revisions to past GDP reports suggesting that the economy is operating with additional excess demand. Net exports and a strong inventory build contributed to the strength in the quarter. A 1% decline in household spending combined with a 3.3% increase in disposable income raised the household savings rate to 5.7%, remaining above pre-pandemic levels indicating the accumulation of excess savings. While still on the lighter side during periods of high inflation, it is in stark contrast to what the U.S. is experiencing. Canada's real GDP at one point was lagging that of the U.S. by approximately 4 percentage points due to the more restrictive COVID-19 measures but that gap has now narrowed to about 1 percentage point. The flash estimate for Canada in October is flat GDP which further indicates a moderating of domestic demand which is not surprising given the restrictive monetary policy.

The significant weighting of housing on Canada's economy is expected to be a drag on performance in the coming year. A typically quiet month for home sales, November's 3.3% decline marks the quietest November since the downturn in 2008. New listings in November declined 1.3% and are down just over 6% from a year ago. The sales-to-new-listings ratio of 49.9% in November indicates an extremely buyer-friendly market which we have not seen since 2012. Home supply levels are back to more normal pre-pandemic conditions. Continued strong housing starts lead Canada to be on pace to record the highest two years of housing starts on record. With domestic demand nearing its peak it is expected that the high levels of immigration will absorb the supply avoiding a housing bust similar to the one witnessed in the 1990s. Prices are expected to continue to decline into next year given the high mortgage rates and lower affordability levels.

Despite a continuation of monetary tightening, both mortgage and non-mortgage loans grew in the third quarter. As experienced in the second quarter, Canada's household debt-to-income ratio rose in the third quarter with household net worth declining. High household debt remains a key area of vulnerability for the Canadian economy. However, the debt services ratio of Canadian households in the third quarter rose only 0.5 percentage points to 14.0% of disposable income remaining one percentage point below the peak just before the Great Recession and close to the level prior to the pandemic. It is expected that as debt, and mortgages in particular, are refinanced at higher rates in the coming years the debt services ratio will peak. Mortgages in Canada have terms of five years or less suggesting that Canadians with fixed rate mortgages will face an increase of 10-20% on their mortgage payments. Holders of variable rate mortgages are in a worse position as it is expected that depending on the timing of when the mortgages were initiated it could mean that holders now owe more in interest payments than their original monthly payments.

Retail sales in Canada increased 1.4% in October, the most recent data available. Most sectors posted increases with gas stations leading the way due to higher prices. Unlike September when seven of the ten provinces posted a decrease, in October all provinces with the exception of Ontario posted gains. In terms of volume, retail volume remained unchanged in the month. It is clear that the majority of the October gain came from higher prices, particularly fuel prices. The flash estimate for November points to negative growth in retail sales further indicating that consumers took a step back due to the impact of high inflation on their purchasing power.

After significant gains in employment in October, November's employment numbers (+10,100) were uninspiring with the increase being inline with consensus and the average over the past eight months. Declines during the month were experienced in the construction, retail & wholesale trade and professional services sectors with gains mainly concentrated in the manufacturing, recreation and education sectors. Regionally there was a stark contrast across the country with central Canada reporting gains and western Canada (mainly Alberta and B.C.) reporting double digit declines. While Ontario's employment remained strong in the month, its unemployment rate continues to be above the national average at 5.5%.

Canadian consumer prices rose slightly in November, the modest increase contributing to a slightly lower year-on-year inflation rate (6.8% from 6.9% in October). Rents are now at a 30-year high with increased demand and pricing as mortgage costs rose 14.5% year-over-year. Also driving inflation is cellular services which rose 2.0% year-over-year due to fewer promotions. Services continued to lead inflation with prices increasing 5.8% or double the pace from a year ago. Inflation is proving to be quite stubborn, and the process of lowering it to a more manageable level is very slow. Looking to December, it is expected that there will be a significant pullback in headline inflation driven by a double-digit decline in gasoline prices.

Canadian Investment Markets

Investors continue to be watchful of inflation but companies' earnings are becoming more of a focal point. Our expectation that the Canadian market would outperform the U.S. market in 2022 proved correct. Information technology stocks, a large part of the U.S. market, struggled while energy stocks, a material weighting in Canada, were aided by strength in energy prices. Stocks are currently trading at more reasonable valuations despite the possibility of downward revisions in estimates as the full impact of high inflation is felt. Despite this correction, the valuation gap between the U.S. and Canada remains wide with the price to earnings multiple of the S&P/TSX Composite Index trading well below its long-term average making it more attractive.

The attractiveness of Canadian equities this past year relative to other developed markets helped the S&P/TSX Composite Index outperform other countries' market indices for most of 2022. While this outperformance has narrowed the valuation gap there remains a reasonable discount resulting in the prospect for the S&P/TSX Composite Index to maintain its outperformance into 2023. It should be noted that since 1979 the S&P/TSX Composite Index has outperformed the S&P 500 in seven of the past ten rising interest rate cycles. Once it becomes certain that inflation has been curbed the expectation is for a strong recovery in the stock market.

For the year, the S&P/TSX Composite Index declined 8.7% and the S&P/TSX High Dividend Index declined 3.9%.

The Health Care sector was the weakest sector for the year (-61.6%). In mid-December it was announced that the SAFE Banking act which would provide some safe harbour for financial institutions that wish to work with U.S. cannabis companies in states where cannabis is legal, did not get passed resulting in continued weakness in this sector. As a reminder, the Fund does not hold any investments in the cannabis sector. The Utilities sector usually performs well during uncertain economic periods such as inflation, however, this year has been somewhat of an anomaly for this sector. After performing well earlier in the year the sector has underperformed for the year (-10.6%) as the stocks' dividend yields struggled to keep pace with treasury bond yields resulting in these stocks appearing less attractive to investors. While the Financials sector had a positive performance in the last quarter (+3.4%) it was one of the weakest as investors keep a close eye on the impact of rising rates and a slower economy on the financial sector as a whole.

The top performing sectors in the last quarter were Information Technology (12.6%) and Energy (8.9%). The Information Technology sector had a challenging year (-52.0%) although easing of COVID restrictions in China and improvements in the supply chain had a positive impact on this sector in the final quarter of the year. Globally, oil prices remain volatile due to geopolitical uncertainty. It is expected that the Energy sector will remain volatile given the risks of a recession, however, there is upside to oil prices from the European Union's Russia oil embargo combined with a faster easing of COVID restrictions in China.

In 2022, bond returns considerably underperformed equities as measured by the S&P/TSX Composite Total Return Index. For the full year long-term bonds returned -27.9% and mid-term bonds provided a -12.5%, while short-term bonds returned -6.8% for the same period. 90-Day Treasury Bills returned 1.4% for the year.

The Canadian dollar against its U.S. counterpart declined by 6.8% during the year.

Outlook
This time last year the S&P/TSX Composite Index had seen tremendous growth due to a brighter outlook as pandemic restrictions were easing and COVID-19 was becoming more manageable with the widespread access to vaccines. 2022 was quite different with the S&P/TSX Composite Index down 8.7% on the year. With a tempering of rate hikes and inflation it is expected that the second half of 2023 will see a shift in investor sentiment with a larger appetite for risk buoying certain sectors such as Industrials and Financials. It is also expected that more interest rate sensitive sectors, such as Utilities and Real Estate, will benefit from such an environment.

Bloom remains an active investment manager and selects stocks not simply because they are included in the S&P/TSX Composite Index or because we must have a prescribed allocation to certain sectors. Rather, we select stocks because we believe in the growth prospects of the company, that its dividend is stable or potentially growing and that it is financially sound and run by a solid management team. In an uncertain market we believe that this conservative approach to investing has the best upside potential.

It remains unclear as to whether Canada will be able to avoid a mild recession in 2023. This combined with the uncertain global economic outlook are the basis of Bloom's rationale for remaining cautious. Our focus on dividend paying equities which have over many decades outperformed non-dividend paying equities provides us with comfort as we continue to navigate what we expect will be continued stock market volatility in this coming year. We maintain our patient and prudent approach to investing together with a focus on capital preservation to tackle all types of markets in 2023.

RESULTS OF OPERATIONS

Distributions
During the year ended December 31, 2022 distributions totaled $0.50 per unit. The 2022 distribution reflects a monthly rate per unit of $0.041666, in accordance with the targeted distribution rate of 5% per annum on the subscription price of $10 per unit as disclosed in the Fund's Prospectus. Since inception on April 20, 2012 the Fund has paid total cash and reinvested distributions of $5.348606 per unit.

Increase in Net Assets from Operations
The Fund's net investment loss was $0.7 million ($0.54 per unit) for the year ended December 31, 2022, arising from average portfolio investments during the year of $10.5 million. The loss was comprised primarily of a $1.5 million net decrease in unrealized appreciation on investments offset by $0.4 million dividend and distribution income and $0.4 million in net realized gains on sales of investments during the year.

Expenses were $0.4 million ($0.29 per unit) for the year, the major components being management fees of $165,502 and other administrative expenses of $89,951.

Net Asset Value
The net asset value per unit of the Fund was $8.37 at December 31, 2022, down by 13.4% from $9.66 at December 31, 2021. The aggregate net asset value of the Fund decreased to $10.5 million as at December 31, 2022 from $12.9 million at December 31, 2021, primarily due to the net investment loss of $0.7 million, redemption of units of $0.7 million, cash distributions to unitholders of $0.6 million (net of reinvested distributions) and expenses of $0.4 million.

Liquidity
To provide liquidity for unitholders, units of the Fund are listed on the TSX under the symbol BLB.UN.

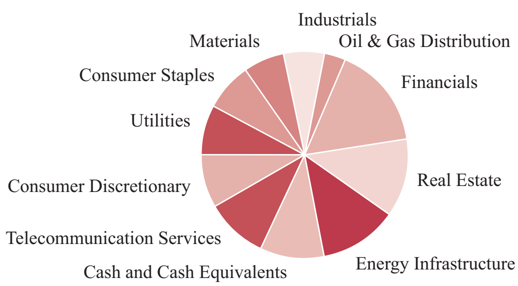
Investment Portfolio
The Fund has established a portfolio comprised primarily of Canadian common equities, income trusts and REITs, each of which was selected to achieve the investment objectives of the Fund. The investment objectives of the Fund include the requirement that the Fund only invests in stocks with a beta (measurement of volatility) of less than 1.0 at the time of purchase, which affects the selection of investments.

On a sector basis, the Industrials sector decreased from 12.0% to 6.3% of the portfolio (equities plus cash and cash equivalents) over the year ended December 31, 2022, due mainly to the takeovers at a premium to market prices of Intertape Polymer Inc. and LifeWorks Inc., offset by the purchase of additional shares in Superior Plus Corporation. The Fund's investment in the Consumer Staples sector increased from 4.7% to 7.4% of the portfolio, due primarily to the purchase of a new position in Empire Company Limited Class A and the purchase of additional shares in Premium Brands Holdings Corp. The Telecommunications Services sector increased from 7.3% to 9.5% of the portfolio, mainly due the increase in the Fund's position in TELUS Corporation through both the purchase of additional shares and the receipt of shares as part of TELUS' takeover of LifeWorks Inc. The Fund's cash and cash equivalents holdings have increased from 7.5% of the portfolio to 10.2%, mainly due to the receipt of cash on the acquisitions of Intertape Polymer Inc. and LifeWorks Inc. which was partially used by the Manager taking advantage of favorable prices by investing in several stocks during the year as mentioned above.

The Fund had unrealized appreciation of $0.3 million in its portfolio as at December 31, 2022, with unrealized gains in the Financial Services, Real Estate, Utilities and Consumer Staples sectors offset by unrealized losses in the Consumer Discretionary sector, where there has been particular price weakness. The Materials sector has recouped some value during the year but continues to show significant unrealized losses.

The Fund had net realized gains on sales of investments of $0.4 million during the year ended December 31, 2022, primarily from the profitable disposition of the Fund's holdings in Intertape Polymer Group Inc. and LifeWorks Inc. on their respective acquisitions, with additional gains from the trimming of several positions, most notably in Boralex Inc., Bank of Nova Scotia and TD Bank Group.

Portfolio Sectors



Sector	Value (thousands)	% of Total
Financials	$ 1,727	16.3%
Real Estate	1,300	12.3%
Energy Infrastructure	1,271	12.0%
Cash and Cash Equivalents	1,078	10.2%
Telecommunication Services	1,010	9.5%
Consumer Discretionary	905	8.5%
Utilities	819	7.7%
Consumer Staples	779	7.4%
Materials	684	6.5%
Industrials	667	6.3%
Oil & Gas Distribution	354	3.3%
Total	**$ 10,594**	**100.0%**

RISK

Risks associated with an investment in units of the Fund are discussed in the Fund's annual information form, which is available on the Fund's website at www.bloomfunds.ca or on SEDAR at www.sedar.com. Changes to the Fund which have affected certain of these risks are discussed below.

Current Cash Yield and Targeted Distributions

Based on current projections, the average total return required in order for the Fund to achieve its targeted monthly distributions to Unitholders is approximately 8.8%. The weighted average current cash yield on the Fund's equity portfolio was 4.5% as at December 31, 2022, and thus the Fund is required to generate more than expected in additional returns (for instance, capital gains and securities lending income) and/or to return capital in order for the Fund to achieve its targeted monthly distributions to Unitholders.

RELATED PARTY TRANSACTIONS

Related party transactions consist of administrative and investment management services provided by the Manager pursuant to the Fund's Declaration of Trust, and Fund expenses paid by the Manager and recharged to the Fund.

Administration and Investment Management Fees

Pursuant to the Fund's declaration of trust, the Manager provides investment management and administrative services to the Fund, for which it is paid an annual management fee.

The management fee is intended to compensate the Manager for providing portfolio advisory and certain administrative services to the Fund. During the year ended December 31, 2022, management fees amounted to $165,502.

Services received by the Fund in consideration of the management fee, as an approximate percentage of the management fee, comprise portfolio advisory services (70%) and administrative services (30%). Administrative services include: appointment and monitoring of service providers; administration related to the payment of fund expenses and the deposit of fund receipts; administrative services provided to the Independent Review Committee ("IRC"); review and filing of tax returns; preparation, dissemination and filing of annual and interim reports; maintenance of proxy voting records and the voting of proxies; preparation of quarterly portfolio summaries; regulatory reporting; and maintenance of the information on the Fund's website.

Other expenses recharged to the Fund

On an ongoing basis the Manager pays on behalf of the Fund, and subsequently recharges to the Fund, certain expenses of the Fund. For the year ended December 31, 2022 the Fund expensed IRC fees of $39,969, unitholder information costs of $8,222, filing fees of $1,056, wire service fees of $747 and premiums for insurance coverage for members of the IRC of $4,602, which were paid and recharged by the Manager.

The Fund pays for all other ordinary expenses incurred in connection with the operation and administration of the Fund, including: all costs of portfolio transactions, fees payable to third party services providers, custodial fees, legal, accounting, audit and valuation fees and expenses, expenses of the members of the IRC, expenses related to compliance with National Instrument ("NI") 81-107, fees and expenses relating to the voting of proxies by a third party, costs of reporting to unitholders, registrar, transfer and distribution agency costs, printing and mailing costs, listing fees and expenses and other administrative expenses and costs incurred in connection with the continuous public filing requirements, taxes, brokerage commissions, costs and expenses relating to the issue of units of the Fund, costs and expenses of preparing financial and other reports, costs and expenses arising as a result of complying with all applicable laws, regulations and policies, extraordinary expenses that the Fund may incur and all amounts paid on account of indebtedness.

INDEPENDENT REVIEW COMMITTEE

Prior to the Fund's launch, the IRC for the Fund was established pursuant to NI 81-107 and became operational. The IRC provides independent oversight regarding actual and perceived conflicts of interest involving the Fund and performs all other functions required of an independent review committee under NI 81-107. Costs and expenses, including the remuneration of IRC members, the costs of legal and other advisors to, and legal and other services for, IRC members, and insurance costs, are chargeable to the Fund. As at December 31, 2022 the IRC consisted of three members, all of whom are independent of the Manager.

The Manager has received three standing instructions from the IRC with respect to related party transactions:

Allocation of Fund Expenses and Charging Expenses of Related Entities to the Funds

The standing instruction requires that the Manager follow its policy regarding the charging of expenses of related parties to the Fund, which will, in the IRC's opinion, result in a fair and reasonable result for the Fund. The Manager reports any instances of reliance on the standing instruction to the IRC and the IRC reviews the transactions to confirm compliance with the standing instruction. The Manager relies on the standing instruction on an ongoing basis in charging to the Fund expenses which are payable by the Fund as per the Fund's declaration of trust and annual information form, but which have been paid by the Manager. These expense charges are measured on an accrual basis at the monetary value of the expenses incurred.

The Decision to Re-open a Fund

The standing instruction requires that the Manager follow its policy and procedures concerning fund re-openings, which will, in the IRC's opinion, result in a fair and reasonable result for the Fund. The Manager will report any instances of reliance on the standing instruction to the IRC, but has not yet relied on this standing instruction.

Redemption of Units Held or Controlled by Access Persons

The standing instruction requires that the Manager follow its policy and procedures concerning the redemption of units held or controlled by Access Persons of the Manager, which will, in the IRC's opinion, result in a fair and reasonable result for the Fund. Access Persons include employees, their spouses, life partners, and family members (including minor and adult children) sharing a home with an employee, as well as any others for whose accounts the employee can exercise control. The Manager will report any instances of reliance on the standing instruction to the IRC, but has not yet relied on this standing instruction.

2022 TAX INFORMATION

The following information is applicable to unitholders who, for the purpose of the Income Tax Act (Canada), are resident in Canada and hold shares as capital property outside of an RRSP, DPSP, RRIF, RESP or TFSA. Unitholders should receive a T3 slip from their investment dealer providing this information. T3 slips for holdings of the Fund will indicate Other Income (Investment Income and Non-Investment Income) in Box 26, Foreign Non-Business Income in Box 25, Capital Gains in Box 21 and Eligible Dividend Income in Box 49. Dividend income is subject to the standard gross-up and federal dividend tax credit rules. Return of Capital is a non-taxable amount that reduces the adjusted cost base of Fund units and is reported on the T3 slips in Box 42.

The following table outlines the breakdown of the Fund's distributions declared in 2022 on a per unit basis.

Record Date	Payment Date	Return of Capital	Total Distribution
Jan. 31, 2022	Feb. 15, 2022	$ 0.041666	$ 0.041666
Feb. 28, 2022	Mar. 15, 2022	$ 0.041666	$ 0.041666
Mar. 31, 2022	Apr. 15, 2022	$ 0.041666	$ 0.041666
Apr. 29, 2022	May 16, 2022	$ 0.041666	$ 0.041666
May 31, 2022	Jun. 15, 2022	$ 0.041666	$ 0.041666
Jun. 30, 2022	Jul. 15, 2022	$ 0.041666	$ 0.041666
Jul. 29, 2022	Aug. 15, 2022	$ 0.041666	$ 0.041666
Aug. 31, 2022	Sep. 15, 2022	$ 0.041666	$ 0.041666
Sep. 30, 2022	Oct. 17, 2022	$ 0.041666	$ 0.041666
Oct. 31, 2022	Nov. 15, 2022	$ 0.041666	$ 0.041666
Nov. 30, 2022	Dec. 15, 2022	$ 0.041666	$ 0.041666
Dec. 30, 2022	Jan. 16, 2023	$ 0.041674	$ 0.041674
Total		**$ 0.500000**	**$ 0.500000**

This information is of a general nature only and does not constitute legal or tax advice to any particular investor. Accordingly, investors are advised to consult their own tax advisors with respect to their individual circumstances.

PAST PERFORMANCE

The following chart and table show the past performance of the Fund. Past performance does not necessarily indicate how the Fund will perform in the future. The information shown is based on net asset value per unit and assumes that distributions made by the Fund in the period were reinvested at net asset value per unit in additional units of the Fund.

All past performance for periods prior to the Fund's merger with Bloom Income & Growth Canadian Fund on October 23, 2015 are for the Fund only.

Annual Compound Returns

The following table shows the Fund's annual compound return for the one, three, five and ten year periods ended December 31, 2022 and the period since inception, compared with the S&P/TSX Composite Index ("Comp Index"), S&P/TSX Composite Total Return Index ("Comp TR Index"), the S&P/TSX Composite High Dividend Index ("HD Index") and the S&P/TSX Composite High Dividend Total Return Index ("HD TR Index") (together, the "Indices"). The Comp Index tracks the performance, on a market weight basis and a total return basis, of a broad index of large-capitalization issuers listed on the TSX, including common stocks, REITs and income trust units, and is an appropriate benchmark as the Fund invests in such common stocks, REITs and income trusts. The HD Index is a more narrowly-based strategy index consisting of 50 to 75 stocks selected from the Comp Index focusing on divided income, and is included as it reflects the Fund's strategy of investing in dividend paying stocks.

Since the Fund is actively managed, the sector weightings differ from those of the Indices. The Fund's portfolio contains predominantly high dividend paying securities, whereas the Indices do not necessarily focus on this type of investment. Also, the investment objectives of the Fund dictate that the Fund invest only in stocks displaying a low volatility at the time of purchase, and therefore the Fund is unable to purchase a significant number of stocks included in the Indices. As well, the Fund may invest in issuers that are not included in the Indices. Further, the Indices are calculated without the deduction of management fees and fund expenses, whereas the performance of the Fund is calculated after deducting such fees and expenses. For these reasons it is not expected that the Fund's performance will mirror those of the Indices.

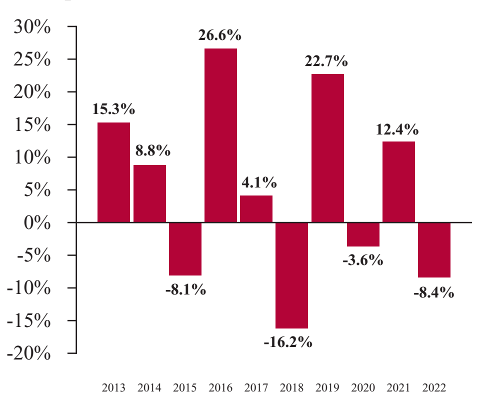
	One year	Three years	Five years	Ten years	Since inception[1]
Bloom Select Income Fund (net of fees and expenses)	-8.4%	-0.3%	0.4%	4.5%	4.2%
S&P/TSX Composite Index	-8.7%	4.3%	3.6%	4.5%	4.5%
S&P/TSX Composite Total Return Index	-5.8%	7.5%	6.8%	7.7%	7.7%
S&P/TSX Composite High Dividend Index	-3.9%	3.0%	2.1%	2.2%	2.1%
S&P/TSX Composite High Dividend Total Return Index	0.6%	8.3%	7.3%	7.5%	7.4%

[1] Period from April 20, 2012 (commencement of operations) to December 31, 2022

The Fund outperformed the Comp Index for the one year period ended December 31, 2022, and outperformed the HD Index for the ten year period ended December 31, 2022 and the period since inception. For all other periods and Indices, the Fund underperformed, after taking into consideration the expenses of the Fund. In addition to the effect of the deduction of management fees and expenses inherent in the Fund's performance figures, this reflects differences in individual portfolio selections between the Fund's portfolio and the Indices within each of the sectors, which result in different average sector returns. It may also reflect the differences in average sector weightings between the Fund's portfolio and the Indices over these periods.

Year-by-Year Returns

The bar chart shows the Fund's performance for the years ended December 31, from 2011 through 2022. It shows, in percentage terms, how an investment held on the first day of the fiscal period would have changed by the last day of the fiscal period.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the fiscal periods indicated. *The information in the following tables is presented in accordance with NI 81-106 and, as a result, does not act as a continuity of opening and closing net assets per unit, because the increase in Net Assets from operations is based on weighted average units outstanding during the period, and all other numbers are based on actual units outstanding at the relevant point in time.*

Net Assets Per Unit[(1)]

	Year ended December 31, 2022	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019	Year ended December 31, 2018
Net assets per unit, beginning of period[(2)]	$ 9.66	$ 9.05	$ 9.96	$ 8.55	$ 10.74
Increase from operations:[(2)]					
Total revenue	0.33	0.34	0.32	0.38	0.41
Total expenses	(0.29)	(0.27)	(0.25)	(0.25)	(0.24)
Net realized gains (losses)	0.29	0.25	0.77	(0.59)	0.70
Net unrealized gains (losses)	(1.16)	0.79	(1.39)	2.34	(2.48)
Total increase in net assets from operations	$ (0.83)	$ 1.11	$ (0.55)	$ 1.88	$ (1.61)
Distributions to unitholders[(2)(3)]					
From net investment income	—	—	(0.02)	(0.07)	(0.12)
From return of capital	(0.50)	(0.50)	(0.48)	(0.43)	(0.38)
Total distributions to unitholders	$ (0.50)	$ (0.50)	$ (0.50)	$ (0.50)	$ (0.50)
Net assets per unit, end of period[(2)]	$ 8.37	$ 9.66	$ 9.05	$ 9.96	$ 8.55

(1) This information is derived from the Fund's financial statements, to which International Financial Reporting Standards apply.
(2) Net assets per unit and distributions per unit are based on the actual number of units outstanding at the relevant time. The increase in net assets from operations per unit is based on the weighted average number of units outstanding over the fiscal period.
(3) $64,960 (2021: $68,241; 2020: $72,303; 2019: $69,426; 2018: $72,515) of distributions were reinvested in units under the Fund's distribution reinvestment plan. The remainder of the distributions were paid in cash.

Ratios and Supplemental Data

For the year ended December 31	2022	2021	2020	2019	2018
Net asset value (000s) [(1)]	$ 10,525	$ 12,937	$ 12,313	$ 15,581	$ 14,496
Number of units outstanding [(1)]	1,257,840	1,338,996	1,360,130	1,564,031	1,694,719
Management expense ratio ("MER") [(2)]	3.22%	2.75%	2.82%	2.61%	2.33%
Trading expense ratio [(3)]	0.02%	0.02%	0.06%	0.04%	0.04%
Portfolio turnover rate [(4)]	8.16%	6.60%	17.78%	9.64%	6.94%
Net asset value per Unit [(1)]	$ 8.37	$ 9.66	$ 9.05	$ 9.96	$ 8.55
Closing market price [(1)]	$ 8.02	$ 9.18	$ 8.71	$ 9.51	$ 8.39

[(1)] As at December 31 of the year shown
[(2)] MER is based on the requirements of NI 81-106 and includes the total expenses (excluding commissions and other portfolio transaction costs) of the Fund for the period. Total expenses are expressed as an annualized percentage of the average net asset value during the period.
[(3)] The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of the average Net Asset Value of the Fund during the period.
[(4)] The Fund's portfolio turnover rate indicates how actively the Manager manages the Fund's portfolio investments (i.e. how often the Fund's portfolio investments are bought and sold). A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund. Portfolio turnover rate is calculated by dividing the lesser of the cost of purchases and the proceeds of sales of portfolio securities for the period, excluding cash and short-term investments maturing in less than one year, by the average market value of investments during the period.

Management Expense Ratio

The MER of the Fund was 3.22% for the year ended December 31, 2022, up from an MER of 2.75% in the year ended December 31, 2021. The increase is primarily due to the decrease in average net asset value due to the decrease in market values of investments, and a slight increase in expenses during the year.

SUMMARY OF INVESTMENT PORTFOLIO

As at December 31, 2022

Total Net Assets (including Cash, Short Term Investments and Other Net Assets)	$10,524,627

Portfolio Composition	% of Portfolio	% of Total Net Assets
Financials	16.3%	16.4%
Real Estate	12.3%	12.4%
Energy Infrastructure	12.0%	12.1%
Cash and Cash Equivalents	10.2%	10.1%
Telecommunication Services	9.5%	9.6%
Consumer Discretionary	8.5%	8.6%
Utilities	7.7%	7.8%
Consumer Staples	7.4%	7.4%
Materials	6.5%	6.5%
Industrials	6.3%	6.3%
Oil & Gas Distribution	3.3%	3.4%
Total Investment Portfolio	100.0%	100.6%
Other Non-Debt Net Assets (Liabilities)		(0.6%)
Total Net Assets		100.0%

Top 25 Holdings	% of Portfolio	% of Total Net Assets
Cash and Cash Equivalents	10.2%	10.1%
Premium Brands Holdings Corporation	4.9%	4.9%
Rogers Communications Inc. Class B	4.9%	4.9%
TELUS Corporation	4.7%	4.7%
Superior Plus Corp.	4.5%	4.5%
TD Bank Group	4.3%	4.3%
Enbridge Inc.	4.3%	4.3%
Manulife Financial Corporation	4.2%	4.3%
Sun Life Financial Inc.	4.2%	4.2%
Northland Power Inc.	4.0%	4.1%
Choice Properties Real Estate Income Trust	4.0%	4.0%
Gibson Energy Inc.	4.0%	4.0%
Chemtrade Logistics Income Fund	3.8%	3.9%
Keyera Corp.	3.8%	3.8%
Boralex Inc.	3.7%	3.7%
Park Lawn Corporation	3.7%	3.7%
Transcontinental Inc. Class A	3.7%	3.7%
Bank of Nova Scotia	3.6%	3.6%
Parkland Corporation	3.3%	3.4%
Altus Group Limited	3.1%	3.1%
Canadian Apartment Properties Real Estate Income Trust	3.0%	3.0%
Empire Company Limited Class A	2.5%	2.5%
Allied Properties REIT	2.2%	2.2%
Aecon Group Inc.	1.8%	1.8%
Noranda Income Fund Class A	1.3%	1.4%

The investment portfolio may change due to ongoing portfolio transactions of the investment fund. Quarterly updates are available on the Fund's website at www.bloomfunds.ca within 60 days of each quarter end.

MANAGEMENT RESPONSIBILITY STATEMENT

The financial statements of Bloom Select Income Fund (the "Fund") have been prepared by Bloom Investment Counsel, Inc. (the "Manager" of the Fund) and approved by the Board of Directors of the Manager. The Manager is responsible for the information and representations contained in these financial statements and the other sections of the annual report.

The Manager maintains appropriate procedures to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments. The significant accounting policies applicable to the Fund are described in note 3 to the financial statements.

The Board of Directors of the Manager is responsible for ensuring that management fulfills its responsibilities for financial reporting and has reviewed and approved these financial statements.

The Manager, with the approval of its Board of Directors, has appointed the external firm of PricewaterhouseCoopers LLP, Chartered Professional Accountants as the auditor of the Fund. They have audited the financial statements of the Fund in accordance with Canadian generally accepted auditing standards to enable them to express to unitholders their opinion on the financial statements. The auditor has had full and unrestricted access to the Board of Directors to discuss their findings.

Signed

M. Paul Bloom
President and Chief Executive Officer
Bloom Investment Counsel, Inc.

Signed

Fiona E. Mitra
Chief Financial Officer
Bloom Investment Counsel, Inc.

March 8, 2023

INDEPENDENT AUDITOR'S REPORT

To the Unitholders and Trustee of Bloom Select Income Fund (the Fund)

Our opinion
In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited
The Fund's financial statements comprise:

- the statements of financial position as at December 31, 2022 and 2021;
- the statements of comprehensive income for the years then ended;
- the statements of changes in net assets for the years then ended;
- the statements of cash flows for the years then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information
Management is responsible for the other information. The other information comprises the Management Report of Fund Performance and the information, other than the financial statements and our auditor's report thereon, included in the 2022 Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Jennifer Kelenc.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants
Toronto, Ontario

March 13, 2023

STATEMENTS OF FINANCIAL POSITION

As at		**December 31, 2022**		December 31, 2021
Assets				
Current assets				
Investments at fair value	**$**	**9,515,892**	$	12,023,462
Cash and cash equivalents (note 5)		**1,078,191**		978,209
Dividends and distributions receivable		**48,766**		50,335
Prepaid expenses and other assets (note 10)		**8,091**		12,514
Total assets		**10,650,940**		13,064,520
Liabilities				
Current liabilities				
Distributions payable to unitholders		**52,419**		55,801
Accrued liabilities (note 10)		**73,894**		72,175
Total liabilities		**126,313**		127,976
Unitholders' equity (note 6)				
Unitholders' capital		**6,345,074**		7,396,608
Retained earnings		**4,179,553**		5,539,936
Net assets representing unitholders' equity	**$**	**10,524,627**	$	12,936,544
Net assets per unit	**$**	**8.37**	$	9.66

The accompanying notes are an integral part of these financial statements

STATEMENTS OF COMPREHENSIVE INCOME

For the years ended	**December 31, 2022**	December 31, 2021
Income		
Net gain (loss) on investments		
Dividend and distribution income	**$ 407,119**	$ 455,388
Interest for distribution purposes	**30,288**	1,309
Net realized gain on sale of investments	**386,115**	341,175
Net change in unrealized appreciation or depreciation on investments	**(1,532,169)**	1,082,032
Total net gain (loss) on investments	**(708,647)**	1,879,904
Other income		
Foreign exchange gain on cash	**13**	177
Total other income	**13**	177
Total income (loss)	**(708,634)**	1,880,081
Expenses (note 9)		
Management fees (note 10)	**165,502**	181,037
Independent Review Committee fees (note 10)	**39,969**	33,226
Audit fees	**32,993**	28,990
Unitholder reporting costs (note 10)	**26,570**	27,175
Custody fees	**25,187**	14,419
Legal fees (note 10)	**7,260**	1,362
Portfolio transaction costs (note 11)	**2,647**	2,931
Other administrative expenses (note 10)	**89,951**	78,285
Total expenses	**390,079**	367,425
Increase (decrease) in net assets from operations	**$ (1,098,713)**	$ 1,512,656
Weighted average units outstanding during the year	**1,326,749**	1,358,758
Increase (decrease) in net assets from operations per unit (note 3(i))	**$ (0.83)**	$ 1.11

STATEMENTS OF CHANGES IN NET ASSETS

For the years ended December 31, 2022 and 2021	**Unitholders' capital**	**Retained earnings**	**Total**
Balance at January 1, 2021	$ 8,166,264	$ 4,147,159	$ 12,313,423
Decrease in net assets from operations	–	1,512,656	1,512,656
Distributions to unitholders from return of capital (note 8)	(678,495)	–	(678,495)
Reinvestment of distributions (note 8)	68,241	–	68,241
Redemptions of units (note 6)	(159,402)	(119,879)	(279,281)
Balance at December 31, 2021	$ 7,396,608	$ 5,539,936	$ 12,936,544
Increase in net assets from operations	**–**	**(1,098,713)**	**(1,098,713)**
Distributions to unitholders from return of capital (note 8)	**(660,336)**	**–**	**(660,336)**
Reinvestment of distributions (note 8)	**64,960**	**–**	**64,960**
Redemptions of units (note 6)	**(456,158)**	**(261,670)**	**(717,828)**
Balance at December 31, 2022	**$ 6,345,074**	**4,179,553**	**10,524,627**

The accompanying notes are an integral part of these financial statements

STATEMENTS OF CASH FLOWS

For the years ended	December 31, 2022	December 31, 2021
Cash flows from operating activities		
Increase (decrease) in net assets from operations	**$ (1,098,713)**	$ 1,512,656
Adjustment for:		
Net realized gain on sale of investments	**(386,115)**	(341,175)
Net change in unrealized appreciation or depreciation on investments	**1,532,169**	(1,082,032)
(Increase) decrease in dividends and distributions receivable	**1,569**	(14,356)
(Increase) decrease in prepaid expenses and other assets	**4,423**	(94)
Increase (decrease) in accrued liabilities	**1,719**	(673)
Operating cash flows:		
Purchases of investments	**(857,443)**	(794,110)
Proceeds from sale of investments	**2,197,596**	1,209,432
Return of capital received	**18,013**	18,757
Capital gains distributions received	**3,350**	2,202
Net cash from operating activities	**1,416,568**	510,607
Cash flows used in financing activities		
Redemptions of redeemable units	**(717,828)**	(279,281)
Distributions paid to holders of redeemable units, net of reinvestments	**(598,758)**	(611,135)
Net cash used in financing activities	**(1,316,586)**	(890,416)
Net increase (decrease) in cash and cash equivalents	**99,982**	(379,809)
Cash and cash equivalents at beginning of year (note 5)	**978,209**	1,358,018
Cash and cash equivalents at end of year (note 5)	**$ 1,078,191**	$ 978,209
Interest received	**$ 27,753**	$ 1,455
Dividends and distributions received	**$ 408,688**	$ 441,032

The accompanying notes are an integral part of these financial statements

SCHEDULE OF INVESTMENT PORTFOLIO (unaudited)

No. of Units/ Shares	As at December 31, 2022	Cost	Fair Value
	Canadian Equities		
	Consumer Discretionary		
15,700	Cineplex Inc.	665,991	126,385
15,100	Park Lawn Corporation	332,780	390,335
25,400	Transcontinental Inc. Class 'A'	404,848	388,112
		1,403,619	**904,832**
	Consumer Staples		
7,300	Empire Company Limited Class 'A'	269,424	260,318
6,300	Premium Brands Holdings Corporation	240,873	518,364
		510,297	**778,682**
	Energy Infrastructure		
8,500	Enbridge Inc.	382,176	449,820
17,700	Gibson Energy Inc.	345,722	418,428
13,600	Keyera Corp.	410,148	402,424
		1,138,046	**1,270,672**
	Financials		
5,700	Bank of Nova Scotia	322,565	378,138
18,500	Manulife Financial Corporation	463,336	446,775
7,100	Sun Life Financial Inc.	278,071	446,235
5,200	TD Bank Group	223,112	455,884
		1,287,084	**1,727,032**
	Industrial		
21,000	Aecon Group Inc.	416,434	191,310
42,400	Superior Plus Corp.	395,961	476,152
		812,395	**667,462**
	Materials		
5,900	Barrick Gold Corp.	196,211	136,939
45,200	Chemtrade Logistics Income Fund	638,927	405,444
152,700	Noranda Income Fund Class 'A'	617,518	142,011
		1,452,656	**684,394**
	Oil & Gas Distribution		
11,900	Parkland Corp.	308,461	353,549
		308,461	**353,549**
	Real Estate		
9,200	Allied Properties REIT	222,432	235,520
6,000	Altus Group Ltd.	45,233	324,240
7,500	Canadian Apartment Properties REIT	351,698	320,100
28,500	Choice Properties REIT	350,656	420,660
		970,019	**1,300,520**
	Telecommunication Services		
8,100	Rogers Communications Inc., Class 'B'	497,219	513,297
18,992	TELUS Corp.	507,718	496,261
		1,004,937	**1,009,558**
	Utilities		
9,800	Boralex Inc.	144,352	392,196
11,500	Northland Power Inc.	192,393	426,995
		336,745	**819,191**
	Total Canadian equities	**9,224,259**	**9,515,892**
	Embedded broker commissions	**(12,199)**	
	Total investments	**9,212,060**	**9,515,892**

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

1. GENERAL INFORMATION

Bloom Select Income Fund (the "Fund") is a closed-end investment trust established under the laws of the province of Ontario pursuant to a declaration of trust dated March 22, 2012. The declaration of trust was amended and restated as of October 23, 2015 at the time of the Fund's merger with Bloom Income & Growth Canadian Fund. The Fund is listed on the Toronto Stock Exchange ("TSX") under the symbol BLB.UN and commenced operations on April 20, 2012. The address of the Fund's principal place of business is Suite 1710, 2300 Yonge Street, Toronto, Ontario. The Fund invests in equity securities of Canadian companies. The financial statements are presented in Canadian dollars.

The Fund's investment objectives are to provide unitholders with an investment in an actively managed portfolio comprised primarily of Canadian equities (common shares, real estate investment trusts (REITs) and income trusts) that exhibit low volatility at the time of investment, monthly cash distributions that have a large component of Canadian eligible dividends, and the opportunity for capital appreciation.

The manager and trustee of the Fund is Bloom Investment Counsel, Inc. (the "Manager"). CIBC Mellon Trust Company is the custodian of the Fund and CIBC Mellon Global Securities Services Company is the administrator of the Fund.

These financial statements were authorized for issue by the Manager on March 8, 2023.

2. BASIS OF PRESENTATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit and loss ("FVTPL"). The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Fund's significant accounting policies. Actual results could differ from those estimates.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Financial instruments

The Fund's financial instruments include, where applicable, investments, cash and cash equivalents, dividends and distributions receivable, receivable for investments sold, payable for investments purchased, distributions payable to unitholders, accrued liabilities, and redemptions payable.

The Fund recognizes, classifies and measures financial instruments in accordance with IFRS 9. IFRS 9 requires financial instruments to be recognized initially at their fair value and then classified subsequently as measured at amortized cost, measured at fair value with changes in fair value taken through other comprehensive income or measured at fair value with changes in fair value recognized in profit and loss ("FVTPL") based on the Fund's business model for managing financial assets in accordance with the Fund's documented investment strategy and the contractual cash flow characteristics of the financial assets. Assessment and decision on the business model approach used is an accounting judgment.

The Fund recognizes financial instruments at fair value, plus transaction costs in the case of financial instruments measured at amortized cost, upon initial recognition. Purchases and sales of financial instruments are recognized on their respective trade dates.

The Fund's investments are measured at FVTPL. All other financial instruments are measured at amortized cost (which is the amount to be received or paid, discounted where appropriate at the contract's effective interest rate). Amortization and changes in fair value are recognized in the Statements of Comprehensive Income.

b) Fair value measurement

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets traded in active markets (which includes the Fund's investments) is based on quoted market prices at the close of trading on the reporting date. The Fund uses the last traded market price for investment valuation where that price falls between the latest bid and ask prices. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 (continued)

The Fund classifies fair value measurements within a hierarchy as described in note 14. The Fund recognizes transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

c) Impairment of financial assets at amortized cost

At each reporting date, the Fund assesses whether there is objective evidence that a financial asset at amortized cost is impaired. If such evidence exists, the Fund recognizes an impairment loss as the difference between the amortized cost of the financial asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. Impairment losses on financial assets at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

d) Derecognition of financial assets and liabilities

The Fund derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership are transferred, or in which these risks and rewards are neither transferred nor retained but the Fund does not retain control of the asset. On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is included in the Statements of Comprehensive Income. The Fund derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

The Fund may enter into securities lending transactions in which it lends investments to counterparties, but since the Fund retains all of the risks and rewards of ownership, the investments are not derecognized. Any collateral pledged by the counterparty to a securities lending transactions is not recognized as the Fund does not accept the risks and rewards of ownership of that collateral. The Fund's participation in securities lending has been suspended and may be reactivated by the Manager at any time (note 12).

e) Offsetting

Financial assets and liabilities are offset and the net amount presented in the Statements of Financial Position only when the Fund has a legal right to offset the amounts and it intends to either settle on a net basis or realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, e.g. for gains and losses arising from a group of similar transactions, such as realized gains and losses on investments.

f) Cash and cash equivalents

Cash and cash equivalents consist of deposits with financial institutions and short-term debt instruments with maturities of less than three months from the date of acquisition that are highly liquid, readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

g) Investment transactions and income recognition

Investment transactions are recorded on the trade date. Dividend and distribution income are recognized when the right to receive payment is established, which is generally on the ex-dividend or ex-distribution date. Interest for distribution purposes shown in the Statements of Comprehensive Income represents coupon interest received by the Fund and is recognized on a time-proportionate basis. Interest income includes interest from cash and cash equivalents. Realized and unrealized gains and losses from investment transactions are calculated on an average cost basis.

h) Foreign exchange

The functional and presentation currency of the Fund is the Canadian dollar. Amounts received by the Fund on an offering of its units and amounts payable on redemption are received or paid in Canadian dollars. Any currency other than the Canadian dollar represents foreign currency to the Fund. Purchases and sales of investments in foreign currencies are translated into the Fund's functional currency using the exchange rate prevailing on the trade date. Income on foreign investments is translated at the prevailing exchange rate on the transaction date. The quoted fair value of investments and other assets and liabilities denominated in foreign currencies is translated at the period-end exchange rate.

i) Increase (decrease) in net assets from operations per unit

Increase (decrease) in net assets from operations per unit represents the increase (decrease) in net assets from operations for the period divided by the weighted average number of units outstanding during the period.

j) Distributions

Income and net realized capital gains (reduced by loss carryforwards, if any) earned by the Fund are distributed to unitholders through a regular monthly distribution. Any excess income and net realized capital gains not so distributed

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 (continued)

during the year are distributed in December of each year to unitholders. Any excess of regular monthly distributions over actual income and net realized capital gains is characterized as a return of capital. Any distributable net realized capital gains in a year may be allocated for tax purposes to redeeming unitholders in that year, as permitted by the Fund's declaration of trust.

k) Portfolio transaction costs

Commissions and other portfolio transaction costs on purchases and sales of investments are expensed and are included in 'Portfolio transaction costs' in the Statements of Comprehensive Income. Portfolio Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties.

l) Classification of redeemable units

The Manager is required by IAS 32, *Financial Instruments: Presentation* ("IAS 32") to assess whether the redeemable units represent a liability of the Fund or equity of the Fund. The Fund does not have any obligation, other than on redemption of the units, to deliver cash or other financial instruments to the unitholders, since the Fund may pay its regular monthly distributions and any distributions it is required by its Declaration of Trust to make sure that it does not become liable for income tax, in units rather than cash. Total expected cash flows attributable to the units over their lives are based substantially on net income, the change in net assets or the change in the fair value of assets over that time. As a result of these facts, the redeemable units meet the criteria of IAS 32 to be classified as equity.

m) Net assets per unit

The net assets per unit is calculated by dividing the net assets representing unitholders' equity by the total number of units outstanding at the end of the period.

4. TAXATION

The Fund qualifies as a mutual fund trust under the Income Tax Act (Canada) and accordingly is subject to income tax on its income, including net realized capital gains, which is not paid or payable to the Fund's unitholders, less any income that can be retained by the use of tax credits available to the Fund. The Fund's taxation year end is December 31. No provision for income taxes has been recorded in the accompanying financial statements as the Fund has determined that it is in substance not taxable since all net income and net realized capital gains of the Fund for the year are distributed to the unitholders to the extent necessary to reduce income taxes payable to nil.

Since the Fund does not record income taxes, the tax assets or liabilities related to capital and non-capital losses and other temporary differences have not been reflected in the Statements of Financial Position as a deferred income tax asset or liabilities.

Non-capital loss carry forwards may be applied against future years' taxable income, and may be carried forward for 20 years from the year in which they are realized. As at December 31, 2022, the Fund had no non-capital losses carried forward (December 31, 2021 – nil). Capital losses incurred by the Fund may be carried forward indefinitely to apply against capital gains realized in future years. As at December 31, 2022, the Fund had $295,287 capital losses available for carryforward (December 31, 2021 – $565,848).

5. CASH AND CASH EQUIVALENTS

The Fund's cash and cash equivalents as at December 31, 2022 and 2021 comprised the following:

	December 31, 2022	December 31, 2021
Cash	**$ 179,035**	$ 178,265
Cash equivalents	**899,156**	799,944
	$ 1,078,191	$ 978,209

Cash equivalents at December 31, 2022 comprised:

Type	**Issuer**	**DBRS credit rating of issuer**	**Par Value $**	**Maturity Date**	**Coupon**	**Fair value $**
Banker's acceptance	RBC	AA/R- 1/Stable	900,000	January 9, 2023	4.17%	899,156

NOTES TO FINANCIAL STATEMENTS
December 31, 2022 (continued)

Cash equivalents at December 31, 2021 comprised:

Type	Issuer	DBRS credit rating of issuer	Par Value $	Maturity Date	Coupon	Fair value $
Banker's acceptance	HSBC	A/R -1/Stable	800,000	January 31, 2022	0.21%	799,944

6. UNITHOLDERS' EQUITY

The Fund is authorized to issue an unlimited number of a single class of transferable and redeemable units each of which represents an equal, undivided interest in the Net Asset Value ("NAV") of the Fund. Each unit entitles the holder to one vote and to participate equally with respect to any and all distributions made by the Fund.

Units may be surrendered for redemption annually at the option of the unitholder during the period from September 15 until 5.00 p.m. (Toronto time) on the last business day in September, subject to the Fund's right to suspend redemptions in certain circumstances. Units properly surrendered for redemption will be redeemed on the second last business day in October of each year (the Annual Redemption Date) and the redeeming unitholder will receive a redemption price per unit equal to 100% of the NAV per unit as determined on the Annual Redemption Date, less any costs and expenses incurred by the Fund in order to fund such redemption. For the purpose of calculating the NAV used in connection with the redemption of units, the value of the securities held by the Fund will be equal to the weighted average trading price of such securities over the last three business days preceding the Annual Redemption Date.

If a significant number of units are redeemed, the trading liquidity of the units could be significantly reduced. In addition, the expenses of the Fund would be spread among fewer units resulting in a potentially lower distribution per unit. The Manager has the ability to terminate the Fund if, in its opinion, it would be in the best interests of the unitholders to do so. The Manager may also suspend the redemption of units in certain circumstances.

The 2022 annual redemption took place on October 28, 2022 and consisted of 88,300 units for redemption proceeds of $717,828 payable on November 18, 2022 (2021 – annual redemption on October 28, 2021 of 28,235 units for redemption proceeds of $279,281 payable on November 18, 2021).

Unit transactions of the Fund for the years ended December 31, 2022 and 2021 were as follows:

	December 31, 2022	December 31, 2021
Units outstanding at beginning of period	**1,338,996**	1,360,130
Reinvestment of distributions	**7,144**	7,101
Redemption of units	**(88,300)**	(28,235)
Units outstanding at end of period	**1,257,840**	1,338,996

The closing market price of the Fund's units on December 31, 2022 was $8.02 (December 31, 2021 – $9.18).

7. CAPITAL MANAGEMENT

For operating purposes, redeemable units issued and outstanding are considered to be the capital of the Fund. As at December 31, 2022 the Fund's capital therefore comprised net assets of $10,524,627 (December 31, 2021 – $12,936,544). The Fund's objectives in managing its capital are to provide unitholders with monthly cash distributions and the opportunity to participate in gains in the value of the investment portfolio. The Fund manages its capital taking into consideration the risk characteristics of its holdings. In order to manage its capital structure, the Fund may adjust the amount of distributions paid to unitholders, return capital to unitholders, increase or decrease its level of borrowing if applicable, or purchase units for cancellation.

8. DISTRIBUTIONS TO UNITHOLDERS

Distributions, as declared on the Fund's behalf by the Manager, are made on a monthly basis to unitholders of record on the last business day of each month, payable by the fifteenth business day of the following month. For the year ended December 31, 2022, the Fund declared total distributions of $0.50 (2021 – $0.50) per unit, which amounted to $660,336 (2021 – $678,495). Under the Fund's distribution reinvestment plan ("DRIP"), unitholders may elect to reinvest monthly distributions in additional units of the Fund which are issued from treasury. In the year ended December 31, 2022, distributions of $64,960 were reinvested in 7,144 units of the Fund which were issued from treasury (year ended December 31, 2021 – distributions of $68,241 were reinvested in 7,101 units of the Fund which were issued from treasury).

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 (continued)

In conjunction with the 2022 annual redemption described in note 6, the Fund made no distributions of capital gains to redeeming unitholders (2021 – nil).

9. EXPENSES

Management fees and other reasonable expenses incurred in the operations of the Fund are charged as expenses in the Statements of Comprehensive Income of the Fund, and include expenses paid by the Manager on behalf of the Fund and subsequently recharged to the Fund as described in note 10.

The Fund pays for all other expenses incurred in connection with the operation and administration of the Fund, including: all costs of portfolio transactions, fees payable to third party service providers, custodial fees, legal, accounting, audit and valuation fees and expenses, expenses of the members of the Independent Review Committee ("IRC"), expenses related to compliance with National Instrument 81-107, fees and expenses relating to the voting of proxies by a third party, costs of reporting to unitholders, registrar, transfer and distribution agency costs, printing and mailing costs, listing fees and expenses and other administrative expenses and costs incurred in connection with the continuous public filing requirements, taxes, brokerage commissions, costs and expenses relating to the issue of units of the Fund, costs and expenses of preparing financial and other reports, costs and expenses arising as a result of complying with all applicable laws, regulations and policies and all amounts paid on account of indebtedness.

10. RELATED PARTY TRANSACTIONS

In accordance with the Declaration of Trust, the Manager is entitled to an annual management fee of 1.25% per annum of the NAV of the Fund, calculated weekly and paid monthly in arrears, plus applicable taxes.

For the year ended December 31, 2022 the Fund expensed management fees of $165,502 (2021 – $181,037). As at December 31, 2022, the Fund had management fees payable of $12,163 (December 31, 2021 – $14,502) included in accrued liabilities.

On an ongoing basis, the Manager pays on behalf of the Fund, and subsequently recharges to the Fund, certain expenses of the Fund. For the year ended December 31, 2022 the Fund expensed the following amounts which were paid and recharged by the Manager: IRC fees of $39,969 (2021 – $33,226); legal fees of $nil (2021 – $389); filing fees of $1,056 (2021 – $1,117), wire service fees of $747 (2021 – $1,187) and mailing costs of $nil (2021 – $5) (all included in 'unitholder reporting costs'); and unitholder information costs of $8,222 (2021 – $3,675) and premiums for insurance coverage for members of the IRC of $4,602 (2021 – $2,249) (both included in 'other administrative expenses'). As at December 31, 2022 the Fund owed the Manager $883 for recharged expenses (December 31, 2021 – $505) included in accrued liabilities.

Units held by the Manager and its affiliates represent 14.9% of the units outstanding at December 31, 2022 (December 31, 2021 – 14.0%).

11. PORTFOLIO TRANSACTION COSTS

During the year ended December 31, 2022 the Fund paid $2,647 (2021 – $2,931) in brokerage commissions and other portfolio transaction costs. There are no soft dollar commissions.

12. SECURITIES LENDING

The Fund has entered into a securities lending program with CIBC Mellon Global Securities Services Company (as administrator), which has a DBRS credit rating of AA / R-1 / Stable and a Moody's credit rating of Aa3 / P-1 / Stable, and BNY Mellon (as lending agent), which has a DBRS credit rating of AA / R-1 / Stable and a Moody's credit rating of Aa2 / P-1 / Stable. The Manager suspended the Fund's participation in the securities lending program during the year ended December 31, 2020, but can reactivate the Fund's participation at any time.

Securities lending transactions involve the temporary exchange of securities for collateral with a commitment to deliver the same securities and collateral on a specified future date. Income is earned in the form of fees paid by the counterparty and is recognised on the accrual basis in the Statements of Comprehensive Income. The Fund retains the risks and rewards of ownership of the securities loaned, and therefore these securities do not qualify for derecognition and therefore remain in the Statements of Financial Position of the Fund during the loan period. The risks and rewards of ownership include any gains or losses in market value of the securities, the ability to sell the securities, and any dividends or distributions on the securities for which the ex-dividend dates fall within the loan period.

The Fund does not currently engage in securities lending, however should it reactivate its participation it would receive collateral of at least 102% of the value of securities on loan. Should a borrower default on a securities loan, the Fund is

NOTES TO FINANCIAL STATEMENTS
December 31, 2022 (continued)

entitled to the associated collateral. The Fund is not exposed to the risks and rewards of ownership of the collateral therefore the collateral is not included in the Fund's Statements of Financial Position. Collateral may comprise: debt that is issued or guaranteed by the Government of Canada or a province thereof, by the Government of the United States of America or of one of the states of the United States of America or of a sovereign state of the G7 countries, or of Austria, Belgium, Denmark, Finland, the Netherlands, Spain, Sweden, Switzerland, or a permitted supranational agency of Organisation for Economic Coordination and Development countries; debt that is issued or guaranteed by a financial institution whose short-term debt is rated A-1 or R-1 or equivalent and includes bankers acceptances, banker bearer deposit notes, or irrevocable letters of credit; corporate debt or corporate commercial paper; or convertible securities.

There were no securities loaned or collateral pledged under securities lending transactions as at December 31, 2022 and December 31, 2021.

There was no securities lending income for the years ended December 31, 2022 and 2021.

13. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS

a) Risk factors
The Fund's investment activities expose it to a variety of risks associated with financial instruments.

The Manager seeks to maximize the returns derived for the level of risk to which the Fund is exposed and to minimize potential adverse effects on the Fund's performance by employing professional and experienced portfolio managers, by daily monitoring of the Fund's positions and market events, and by diversifying the investment portfolio within the constraints of the investment objectives and restrictions. The Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment objectives and restrictions, internal guidelines and securities regulations.

b) Credit risk
The Fund is exposed to credit risk, which is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The carrying amount of the Fund's assets represents the maximum credit risk exposure as at December 31, 2022 and December 31, 2021.

All transactions in listed securities are settled upon delivery using approved brokers. The trade will fail if either party fails to meet its obligations. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

The Fund may enter into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities at a future date. All counterparties are subject to a stringent examination of creditworthiness which includes a financial assessment of the company, a review of qualitative factors including management and corporate governance, comparison to similar companies and consideration of ratings assigned by external ratings agencies, and the value of collateral must be at least 102% of the fair value of the securities loaned. Therefore credit risk associated with any such transactions is considered minimal. The Fund's participation in securities lending has been suspended and may be reactivated by the Manager at any time (note 12).

The Fund limits its exposure to credit loss by dealing with counterparties, including the lending agent and the issuers of short-term debt instruments, of high credit quality (see notes 5 and 12). To maximize the credit quality of its investments, the Fund's Manager performs ongoing credit evaluations based upon factors surrounding the credit risk of counterparties, historical trends and other information. Given that the Fund is primarily invested in equities, credit risk is not considered significant.

c) Market risk and other price risk
Market risk is the possibility that investments experience losses due to factors that affect the overall performance of the financial markets. The global pandemic caused by the outbreak of COVID 19 respiratory disease has impacted global stock markets, including stock valuations and market volatility. In general, war and occupation, terrorism and related geopolitical risks or other factors including global health risks or pandemics may in the future lead to increased short-term market volatility and may have adverse long-term effects on world economies and markets. Those events could also have an acute effect on individual issuers or related groups of issuers. These risks could also adversely affect securities markets, inflation and other factors relating to the securities held in the Fund's portfolio.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from market risk, interest rate risk or currency risk), whether caused by

NOTES TO FINANCIAL STATEMENTS
December 31, 2022 (continued)

factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. The Manager aims to moderate this risk through a careful selection and diversification of securities and other financial instruments within the limits of the Fund's investment objectives and strategy. The Fund's investment objectives include the requirement that its portfolio securities must exhibit low price volatility at the time of purchase, which may further reduce other price risk. The maximum risk of loss resulting from financial instruments is equivalent to their fair value.

The Fund is exposed to market risk and other price risk from its investment in common equities, REITs, and income trusts. As at December 31, 2022, had the prices of these securities increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased by approximately $951,589 (December 31, 2021 – $1,202,346) or 9.0% (December 31, 2021 – 9.3%) of net assets. In practice, the actual results may differ and the impact could be material.

d) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities and its redeemable units. The Fund is exposed to liquidity risk through the annual redemption of its units, because there may be insufficient trade volumes in the markets for the securities of the Fund or because the securities may be subject to legal or contractual restrictions on their resale. The Fund receives notice of at least 22 business days prior to the date of redemption of units and has up to 15 business days after the redemption date to settle the redemptions, which provides the Manager time to liquidate securities to fund the redemptions, although there remains a risk that the required funds cannot be obtained. All of the liabilities of the Fund mature in six months or less. Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active market and can be readily disposed of. The Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity; therefore, the liquidity risk for the Fund is considered minimal.

e) Interest rate risk

Interest rate risk arises on interest-bearing financial instruments. The Fund is exposed to interest rate risk on its short-term debt instruments. Fluctuations in interest rates have a direct effect on the Fund's ability to earn interest income. As at December 31, 2022 and December 31, 2021, the Fund had no significant exposure to interest rate risk due to the short term nature of its short-term debt instruments, which had maturities of less than three months.

f) Currency risk

Currency risk arises on financial instruments denominated in foreign currencies. Fluctuations in foreign exchange rates impact the valuation of assets and liabilities denominated in foreign currencies. As at December 31, 2022 and December 31, 2021, the Fund had no direct exposure to currency risk since none of its financial instruments were denominated in foreign currencies.

g) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The following is a summary of the Fund's concentration risk, expressed in terms of percentage of net assets invested by sector, as at December 31, 2022 and December 31, 2021:

Market Segment	**December 31, 2022**	December 31, 2021
Consumer Discretionary	**8.6%**	10.5%
Consumer Staples	**7.4%**	4.7%
Energy Infrastructure	**12.1%**	10.3%
Financials	**16.4%**	18.2%
Industrials	**6.3%**	12.0%
Materials	**6.5%**	6.5%
Oil & Gas Distribution	**3.4%**	3.2%
Real Estate	**12.4%**	13.2%
Telecommunication Services	**9.6%**	7.4%
Utilities	**7.8%**	6.9%

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 (continued)

14. FAIR VALUE HIERARCHY

The Fund classifies fair value measurements within a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Manager has the ability to access at the measurement date;

Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly; and

Level 3 Inputs that are unobservable. The determination of fair value require significant management judgment or estimation.

If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. The following fair value hierarchy table presents information about the Fund's financial instruments measured at fair value as at December 31, 2022 and December 31, 2021:

December 31, 2022

	Level 1	Level 2	Level 3	Total
Equities	**$ 9,515,892**	**$ –**	**$ –**	**$ 9,515,892**
	$ 9,515,892	**$ –**	**$ –**	**$ 9,515,892**

December 31, 2021

	Level 1	Level 2	Level 3	Total
Equities	$ 12,023,462	$ –	$ –	$ 12,023,462
	$ 12,023,462	$ –	$ –	$ 12,023,462

There were no transfers between the levels during the years ended December 31, 2022 and December 31, 2021.

Corporate Information

Independent Review Committee

Anthony P. L. Lloyd (Chair),
BSc (Hons), MBA, ICD.D

Lea M. Hill,
BCom, FCSI

Cameron Goodnough,
BCom, LLB, MBA

Directors and Officers of Bloom Investment Counsel, Inc.

M. Paul Bloom, BA (Hons)
Director, President and Secretary,
Portfolio Manager

Adina Bloom Somer, BA (Hons), MBA, CIM
Director and Vice President,
Portfolio Manager

Beverly Lyons, BCom**,** FCPA, FCA, ICD.D
Independent Director

Fiona E. Mitra, BA (Hons), CPA, CA
Chief Financial Officer

Kevin G. Willis, MBA, CFA
Vice President, Business Development

Trustee

Bloom Investment Counsel, Inc.

Custodian

CIBC Mellon Trust Company

Auditor

PricewaterhouseCoopers LLP,
Chartered Professional Accountants

Website

www.bloomfunds.ca

Mailing Address
Yonge Eglinton Centre
Suite 1710, 2300 Yonge Street
Toronto, ON M4P 1E4

Unitholder Information: 416-861-9941
Toll Free: 1-855-BLOOM18
(1-855-256-6618)
Website: www.bloomfunds.ca